



IDGC OF CENTRE

DAILY MARKET REVIEW

22 December, Monday

2014

REVIEW OF STOCK MARKETS

Before the opening of trading on 19 December some positive external background formed on the Russian market. On Thursday the U.S. indices DJIA and S&P500 gained 2.4%, and the European Stoxx Europe 600 Index rose by 3%. According to Bloomberg, for the S&P500 it was a record growth since January 2013, for the DJIA – December 2011, and for the Stoxx600 – November 2011. The composite index of the Asia-Pacific region added 1.8% – the best rates of growth in two months. The Fed's statements at the end of the meeting, which ended on Wednesday to maintain soft monetary policy, remain a key driver for the strong growth of markets. February Brent futures traded at \$59.4 per barrel – \$1.5 dollars below our closing 18 on December. As predicted by experts, the recovery in oil prices was short-lived – the oil market is still under pressure from oversupply. An additional negative factor for oil quotes was a statement by Saudi Oil Minister that the problems in the oil market are temporary and related mainly to a slowdown in the world economy, in connection with which Saudi Arabia sees no need to cut production.

On Friday the Russian market was under selling pressure. A slight decrease in the MICEX Index on the negative dynamics of oil quickly enough transformed into an active fall – in the second half of the trading session the MICEX Index loss exceeded 4%. Return of Brent price to around \$60 per barrel and continued strengthening of the ruble, as analysts say, on sales of currency by exporters, were not able to provide any support for the Russian market. According to experts, the high volatility in the Russian market is due to the ongoing assessment of implications for investors and the financial market and the Russian economy as a whole of the unexpected decision of the Central Bank on the sharp rise in the base interest rate. Against this backdrop investors ignored JPMorgan's increase of rating of shares of the Russian Federation from "underperform" to "neutral" on expectations of the ruble appreciation, reducing political risks and stabilizing oil prices. At the end of the day the MICEX Index still managed to halve losses after Brent price rising to around \$61 per barrel and the start of trading in the U.S. with a slight increase in the major indices.

The MicexPWR Sector Index closed the trading session with growth of 1.8% mainly due to the 17% rise in shares of Russian Grids. In general, throughout the day the MicexPWR Sector Index looked better than the market – the Friday's sales were mainly concentrated in the "blue chips" of the Russian market. On Western exchanges the European DJStoxx Index added 0.37% DJStoxx, and the U.S. S&P Index rose by 0.46%.

ELECTRIC POWER INDUSTRY NEWS

In Russia the energy intensity decreased by 34% for 11 years

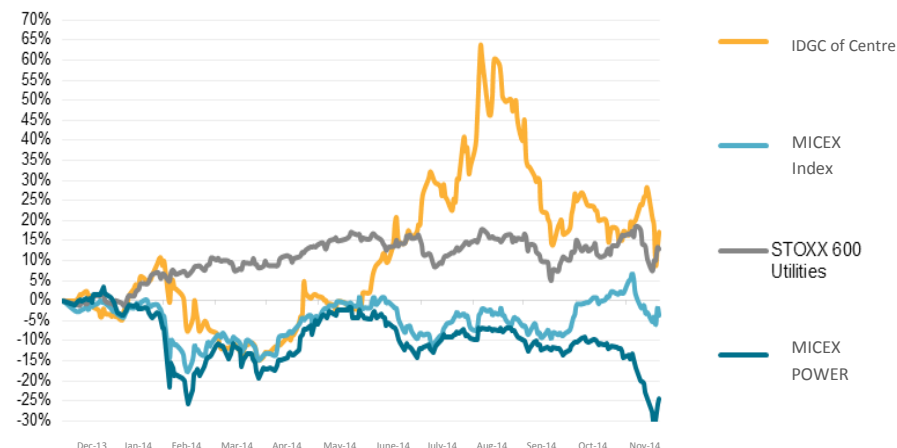
To read full text: <http://www.kommersant.ru/doc/2634111?isSearch=True>

COMPANY NEWS

IDGC of Centre continues to improve the efficiency of diagnostics of power lines using modern methods

To read full text: <http://www.mrsk-1.ru/press-center/news/company/46225/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change for the day fr 31.12.13	
MICEX	1 449,13	-1,90%	-3,65%
S&P 500	2 070,65	0,46%	12,03%
FTSE 100	6 545,27	1,23%	-3,02%
DAX	9 786,96	-0,25%	2,46%
DJStoxx 600	340,30	0,37%	3,67%
STOXX Utilities	314,21	-0,33%	12,89%
Nikkei	17 621,40	2,39%	8,16%
Sensex	27 371,84	0,90%	29,29%
CSI300	3 383,17	1,11%	45,20%
Bovespa	49 650,98	2,38%	-3,60%

Source: Bloomberg, Company calculations

Currency rates	Value	Change for the day fr 31.12.13	
Euro/USD	1,22	-0,45%	-11,31%
USD/RUB	59,60	-12,07%	82,11%
Euro/RUB	73,34	-13,30%	63,09%

Source: Bloomberg, Company calculations

Raw	Value	Change for the day fr 31.12.13	
Gold, USD/oz	1 195,74	-0,24%	-0,49%
Brent*, USD/bbl	61,38	3,56%	-41,76%

* - February futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,2560
Capitalisation**, billion RUB	10,81
Capitalisation**, million USD	181,33

Source: Central Bank of Russia, Company calculations

Russian indexes	Change for the day fr 31.12.13	
MICEX-Power Index	1,79%	-24,40%
Shares of IDGC of Centre**	3,64%	17,11%

Source: MOEX, Company calculations

Grid companies	Change** for the day fr 31.12.13	
JSC Russian Grids	16,77%	-44,09%
FGC UES	3,25%	-55,63%
IDGC of Volga	4,74%	16,33%
MOESK	-2,44%	-13,63%
IDGC of Northern Caucasus	0,42%	-21,96%
IDGC of Centre and Volga Reg	0,11%	40,06%
IDGC of North-West	4,60%	-12,00%
IDGC of Urals	0,17%	-8,11%
IDGC of Siberia	-0,11%	24,82%
IDGC of South	-1,02%	-9,26%
Lenenergo	4,31%	-21,77%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange
Bloomberg
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MRKC
MRKC.RX
MRKC.MM